GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

MA & UD – URBAN CHALLENGE FUND (UCF) – Establishment of the "Urban Challenge Fund" (UCF) to implement the proposals under the thematic areas of 'Water and Sanitation', 'Cities as Growth Hubs' and 'Creative Redevelopment of Cities' - APUFIDC is Appointed as Nodal Agency – Orders – Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (UBS) DEPARTMNT

G.O.RT.No. 1349 Dated: 28-11-2025

Read the following:

1. From Additional Secretary, Ministry of Housing and Urban Development, Government of India, New Delhi Letter D.O. K-16011/2//2024-AMRUT, dated: 26.03.2025.
2. From Director (PFC-I), Ministry of Finance, Department of Expenditure, PFMS Division, Government of India, New Delhi Letter F.No.1 (27) / PFMS/2020, dated: 10.06.2025.
3. From Managing Director, APUFIDC, Vijayawada Lr.Roc.No. 297439 /APUFIDC / UCF/2025, dated: 18.09.2025.

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O R D E R:

The Government of India vide references 1st and 2nd cited has informed that an announcement is made in the Union Budget 2025-26 regarding the establishment of the "Urban Challenge Fund" (UCF) to implement the proposals under the thematic areas of 'Water and Sanitation', 'Cities as Growth Hubs' and 'Creative Redevelopment of Cities'. The UCF is envisioned as a catalytic financing mechanism to enable states and cities to design and implement transformative urban projects, enhance private sector participation and drive sectoral reforms. The GoI has informed that the Ministry of Housing and Urban Affairs (MoHUA) is in the process of formulating the operational framework and guidelines for the UCF, which will finance **up to 25 percent** of the cost of bankable projects with a stipulation that at least 50 percent of the cost is funded from bonds, bank loans and PPPs and balance 25 percent will be borne by State Government. Government of India has decided that w.e.f. 01.07.2025, 37 additional CSSs will be implemented through SNA SPARSH in all States and UTs, which includes **'Urban Challenge Fund' (UCF) [4333]** also, and requested to take necessary steps to on-board the Centrally Sponsored Schemes on SNA SPARSH platform.

2. In this regard, the Managing Director, APUFIDC, Vijayawada vide reference 3rd cited, has requested the Government to issue necessary orders on the following:

1. To issue orders designating State Nodal Agency for the scheme 'Urban Challenge Fund';
2. To allot budget head of accounts;
3. To issue instructions to the State PFMS for creation of SLS Code in PFMS.

Contd…2..

3. Government after careful examination of the proposal, hereby designate the APUFIDC as a Nodal Agency for implementation of the above said scheme in the State.

4. Further, the following SPARSH Head of Account has been created under MAU01 for the scheme “Urban Challenge Fund (UCF)” and a mail was sent to the APCFSS for mapping of the HoAs in CFMS portal and a communication has also been addressed to the Assistant Controller General of Accounts, O/o PFMS, for creation of the State Linked Scheme (SLS) Code for the said scheme (Copy enclosed).

4217	- Capital Outlay on Urban Development
60	- Other Urban Development Schemes
051	- Construction
32	- Central Assistance to State Development Schemes - SNA-SPARSH (25:75)
SH (90)	**- Urban Challenge Fund (UCF)**
530/531	- Major Works

5. The Managing Director, APUFIDC, Vijayawada shall take necessary action in the matter accordingly.

6. This order issues with the concurrence of Finance (FMU-EFS&T;MA&UD & CRDA) Department vide their U.O.No.FIN01-FMU/55/2025-FMU-EFS-MAUD (C.No.3012476), dated 21.11.2025.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S. SURESH KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, APUFIDC, Vijayawada.
Copy to:-
The OSD to Hon’ble M (MA & UD)
The P.S. to Principal Secretary to Government, MA & UD Department
Sf/Sc

//FORWARDED BY ORDER//

RESEARCH OFFICER